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April 11, 1995

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FCC MAIL ROOM

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

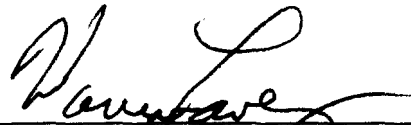
Re: PR Docket No. 94-105, PR Docket No.
94-108: Ex Parte Oral and Written
Presentations

Dear Mr. Caton:

On April 10, 1995, representatives of Time Warner Telecommunications (Lex Felker, William Schwebel and Warren Lavey) met with Michael Katz of the Office of Plans and Policy. The discussions were related to state regulation of switch-based resale of cellular services. The attached handout was used in our discussions.

Pursuant to 47 C.F.R. § 1.1206(a)(1) and (2), I have submitted two copies of this notice and attachment for each of the referenced proceedings to the Secretary. Please return a date-stamped copy of the enclosed (copy provided).

Respectfully Submitted,



Warren G. Lavey
Attorney for Time Warner
Telecommunications

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TIME WARNER
TELECOMMUNICATIONS

Ex Parte Presentation

April 10, 1995

Wireless Resale -- Major Piece of the Information Superhighway

I. WIRELESS AND RESOLD SERVICES PROVIDED BY TIME WARNER

A. Today

1. Cellular resale in Rochester, and expanding
2. Seeking switch-based cellular resale
3. Resold long-distance transmission services in information services offerings
4. Content, some developed by Time Warner and some resold

B. Tomorrow

1. Full Service Networks, including wireless offerings and wireless transmission links
2. Integration of content servers and local transmission networks, with some ownership and some resale of each component
 - a. Landline and wireless networks and services will be close substitutes
 - b. Wireless building strategy includes entry via resale, possibly transitioning to owning wireless networks in some areas
 - c. Entry via resale is well-established approach, including for long-distance and local landline and radio-based carriers

C. WIRELESS RESALE IS A MAJOR PIECE OF THE INFORMATION SUPERHIGHWAY

II. MARKET CONDITIONS

Market conditions -- now and for at least several more years -- do not offer opportunities for unbundled wireless resale

- A. Offering innovative features and marketing, TWT is viewed as a competitor by wireless network providers
 - 1. Network providers bundle transmission and switching service elements, and deny key elements for resale competition (such as number portability)
 - 2. Network providers impose non-cost-based charges
- B. Landline networks are more open and unbundled than wireless networks in some areas.
- C. PCS licenses may or may not open opportunities for resale.
 - 1. PCS networks will take 5+ years to provide substantial coverage
 - 2. Market will remain highly concentrated in many areas
 - 3. Market would be more competitive and less discriminatory with resale requirement

III. STATE AND FEDERAL REGULATION IS NECESSARY TO ACHIEVE
UNBUNDLED, NONDISCRIMINATORY WIRELESS RESALE

- A. FCC has repeatedly found that wireless resale is in the public interest -- promotes competition and innovation.
- B. With substitutable landline and wireless networks, regulation and preemption should be technology neutral.
 - 1. State regulators (led by California) should continue to develop rates for unbundled, nondiscriminatory interconnections of wireless networks.
 - 2. As common carriers, wireless carriers have nondiscrimination and interconnection obligations.
 - 3. As carriers (including Time Warner) offer a mix of landline and wireless services, why and how to distinguish offerings that are resale-exempt? It would be contrary to the public interest to draw such lines.

IV. ANSWERS

A. In the FCC order on preemption of cellular rate regulation

1. Do not preempt regulation that is necessary to effectuate continuing state authority over terms and conditions (until there is a comprehensive federal requirement of unbundled, nondiscriminatory interconnections for wireless carriers).

a. Reasonable charges for unbundled interconnections

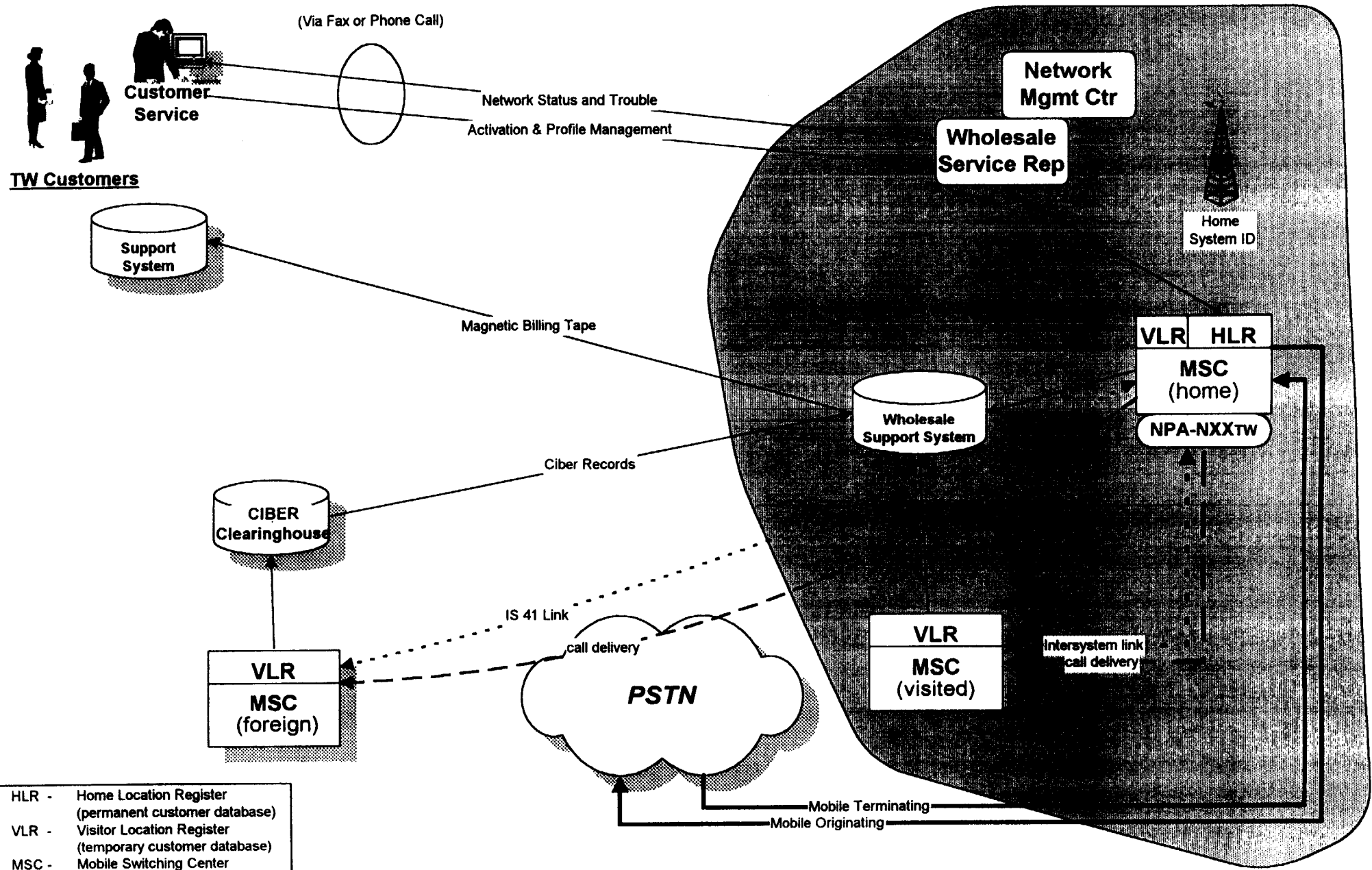
b. Reasonable wholesale discounts

2. Recognize continuing FCC jurisdiction over resale for intrastate as well as interstate services

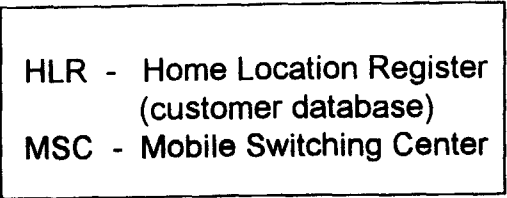
B. Make public interest finding to impose resale requirements on PCS licensees for intrastate as well as interstate services

C. Order unbundled, nondiscriminatory interconnections for cellular and PCS carriers

Basic Resale - Network Flows



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Switch-based - Network Flows

